

Message Text

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PAGE 01 JIDDA 05127 120934Z

ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00

COME-00 DODE-00 DOE-15 H-01 INR-10 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09 SP-02

SS-15 STR-07 TRSE-00 ACDA-12 PA-01 /129 W

-----103669 130817Z /20

R 120833Z JUL 78

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1670

INFO USLO RIYADH

DFSC CAMERON STATION VA

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E.O. 11652: NA

TAGS: ENRG, SA, US

SUBJECT: OFFER OF SAUDI CRUDE FOR SPR

REF: JIDDA 5088

1. NAGI ZAKI, ACCOMPANIED BY JAMES J. CALLY, A NEW YORK ATTORNEY, APPEARED AT THE EMBASSY ON JULY 11, 1978. MR. ZAKI SAID HE HAD EVERYTHING "ALL SET" TO SAVE THE USG LOTS OF MONEY AS HE WAS GETTING LIGHT ARABIAN CRUDE FROM THE SAUDIS FOR SPR. HE EXHIBITED THE DFSC TENDER AND WHAT HE PURPORTED TO BE HIS TENDER. HE ALSO SHOWED THE CHARGE A LETTER TO THE SAUDI "MINISTRY OF OIL" WHICH STATED THAT HIS FIRM, AMERICAN ARABIAN PETROLEUM CO. INC., WAS APPLYING ON BEHALF OF THE DEFENSE DEPARTMENT OF THE US FOR 36,750,000 BARRELS OF SAUDI LIGHT CRUDE. THE LETTER ALSO CLAIMED THAT THE FIRM "CAN OBTAIN THE ASSISTANCE OF THE AMERICAN CONSUL". A TELEX, COPIED FROM THE CORRESPONDENCE AHD SENT TO THE MINISTRY OF OIL, WAS SIGNED BY NAGI AS "(PRESIDENT) DEFENSE FUEL SUPPLY CENTER U.S. ARMY, ALEXANDRIA, VA., TLX NO. 710-832-0600 USA", ADDING A NEW YORK TLX NO. 424560/620418 AMARB.

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PAGE 02 JIDDA 05127 120934Z

2. WE OBSERVED TO NAGI AND MR. CALLY THAT SINCE THEY HAD MATTERS IN HAND THERE WAS LITTLE NEED FOR THE EMBASSY'S INTERVENTION. NAGI, WHO DID MOST OF THE TALKING, STATED TAHT ALL HE WANTED FROM US WAS A LETTER FROM THE EMBASSY TO PETROMIN ATTESTING TO HIS BONA FIDES. WE STATED THAT THIS WAS CONTRARY TO OUR REGULATIONS AND UNLESS DIRECTED

BY THE DEPARTMENT OF STATE OR THE DEPARTMENT OF DEFENSE
WE COULD NOT PROVIDE SUCH A LETTER. ALSO, OTHER U.S. FIRMS
MIGHT BE BIDDING AND THIS WOULD PREVENT SUCH ACTION BY THE
EMBASSY.

3. NAGI THEN ASKED IF WE HAD GOTTEN A DIRECTIVE FROM STATE
TO ASSIST HIM. WE STATED THAT WE HAD GOTTEN A MESSAGE
WHICH MENTIONED "PRINCE" ABNAN SHARBATLY, THE ALLEGED
SUPPLIER OF THE OIL, WITH A REQUEST TO CHECK THE INFORM-
ATION. WE REGRETTED TO NAGI THAT HE MUST HAVE BEEN MIS-
INFORMED RE SHARBATLY WHO IS NOT A PRINCE. WE ALSO TOLD
HIM WE HAD CONTACTED PETROMIN REGARDING THE TRANSACTION
AND LEARNED THAT THERE WAS NO DISCOUNT PRICE ON ARABAIAN
LIGHT CRUDE OIL, WHICH IS IN GOOD DEMAND. NAGI SHRUGGED
OFF THIS ADVICE AND SAID HE COULD ARRANGE THINGS. HE
STATED THAT HE WAS OF EGYPTIAN ORIGIN AND A BROTHER OF
THE EGYPTIAN MINISTER OF FINANCE. NAGI THEN ASKED FOR
THE TELEPHONE NUMBER OF AHMED AL KHEREIJI, DIRECTOR
GENERAL OF INTERNATIONAL MARKETING, PETROMIN, RIYADH,
WHICH WE PROVIDED HIM. ON HIS DEPARTURE FROM THE
EMBASSY NAGI REQUESTED THE E/C COUNSELOR TO CALL KHEREIJI
AND TELL HIM THAT HE WOULD BE CALLING. WE DID.

4. OUR ASSESSMENT COINCIDES WITH KHEREIJI'S VIEWS
AS EXPRESSED PARA 2 OF REFTEL.

DANIELS

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PAGE 03 JIDDA 05127 120934Z

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NNN

Message Attributes

Automatic Decaptioning: X
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Draft Date: 12 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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